The J&G Defendants advised taxpayers regarding Tax Strategies that the Internal Revenue Service ("IRS") now challenges.

Plaintiffs allege that Jenkens & Gilchrist and certain of its shareholders involved in advising with respect to Tax Strategies are liable on multiple theories, including the Racketeer Influenced and Corrupt Organizations Act (the "RICO Act") (18 U.S.C. § 1961, *et seq.*), civil conspiracy, breach of fiduciary duty, fraud, breach of contract, breach of the duty of good faith and fair dealing, negligent misrepresentation, professional malpractice, unjust enrichment and the charging of unethical, excessive and illegal fees. Plaintiffs sue on their own behalf, as well as on behalf of a proposed plaintiff Class of former Jenkens & Gilchrist clients, spouses who jointly filed tax returns with them, and related entities involved in implementing Tax Strategy transactions. For the Class, Plaintiffs seek actual damages totaling hundreds of millions of dollars, as well as punitive damages.

The J&G Defendants assert that their tax opinions met the appropriate standard of care, were similar to opinions given by other law and accounting firms, were soundly reasoned, and were supported by existing law; that each Class Member knew that the Tax Strategies were aggressive, that the IRS could challenge the tax benefits, that the applicable tax law could change, and that the outcome could not be and was not guaranteed; that Plaintiffs' quantification of alleged damages is flawed; and that limitations bars many Class Members' claims against the J&G Defendants.

The J&G Defendants claim to be insured for the Plaintiffs' and the Class Members' alleged damages by a primary policy issued by a primary carrier and by three successive excess policies, issued by excess carriers. The excess policies follow the form of the primary policy. On September 30, 2003, the primary carrier filed an action styled *Executive Risk Indemnity, Inc.*

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v. Jenkens & Gilchrist, a Texas Professional Corporation, et al, Case No. 03C 6882, in the United States District Court for the Northern District of Illinois, Eastern Division against Jenkens & Gilchrist, Daugerdas and Guerin, seeking a declaratory judgment that the primary policy does not provide coverage for liability flowing from the allegations made in the *Denney*, *Camferdam* and *Riggs* suits (as well as other suits). The primary carrier alleges that some or all of the damages alleged in these suits do not qualify as insured "losses" under the primary policy and that all such liability is excluded under the primary policy's exclusion for losses arising from "wrongful acts." The excess carriers have indicated that unless the settlement is approved, they intend to assert these and other defenses that would, if the excess carriers were to prevail, defeat coverage for Class Member claims.

THE SETTLEMENT CLASS

The Court has preliminarily certified the following Class of persons who may have claims against the J&G Defendants arising out of the Tax Strategies:

> all Persons who, from January 1, 1999, through December 31, 2003, inclusive, either (1) consulted with, relied upon, or received oral or written opinions or advice from Jenkens & Gilchrist or any Jenkens & Gilchrist attorney concerning any one or more of the Tax Strategies and who in whole or in part implemented, directly or indirectly, any one or more of the Tax Strategies or (2) filed with a Person described in (1) a joint tax return for the year(s) in which such Tax Strategy was implemented, and (3) the legal representatives, heirs, successors, and assigns of all Persons described in (1) and (2). The "Class" includes, without limitation, the individuals, partnerships, limited liability companies, trusts, corporations and other legal entities that Jenkens & Gilchrist or any Jenkens & Gilchrist attorney advised concerning, that were formed in connection with, or that engaged or were utilized in any one or more of the Tax Strategies. The "Class" excludes, however, any Persons described in (1), (2) and (3) who have released all Released Claims against the J&G Defendants.[4]

[4] Persons who fall within the Class definition are referred to herein as "Class Members" or "Members of the Class."

The Class is certified for the limited purpose of this settlement only and the preliminary Class certification will become null and void if, for any reason, the settlement is not finalized.

CLASS COUNSEL

The Court has appointed the following attorneys, who represent the named plaintiffs in one or more of the lawsuits comprising the Litigation, to serve as Class Counsel.

Lead Class Counsel:

David R. Deary
David.Deary@Shore-Deary.com
W. Ralph Canada, Jr.
Ralph.Canada@Shore-Deary.com
Stewart Clancy
Stewart.Clancy@Shore-Deary.com
Jeven R. Sloan
Jeven.Sloan@Shore-Deary.com
SHORE DEARY, L.L.P.
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2515 McKinney Avenue
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(800) 497-6444 (toll free)
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WHATLEY DRAKE, LLC
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Birmingham, Alabama 35203
(877) 395-3238 (toll free)
(205) 328-9576
(205) 328-9669 (fax)

Jeffrey H. Daichman
KANE & KESSLER, P.C
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Ernest Cory
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Craig Niedenthal
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CORY WATSON CROWDER & DEGARIS
2131 Magnolia Avenue
Birmingham, Alabama 35205
(205) 328-2200
(205) 324-7896(fax)

Other Class Counsel:

Stephen F. Malouf
The Law Offices of Stephen F. Malouf, P.C.
3506 Cedar Springs
Dallas, Texas 75219
214 969 7373
214 969 7648 (fax)

PERSONS TO CONTACT IN CASE OF QUESTIONS

You may direct questions regarding the settlement to any of the following Lead Counsel by telephone, fax, e-mail or regular United States mail:

David R. Deary David.Deary@Shore-Deary.com W. Ralph Canada, Jr. Ralph.Canada@Shore-Deary.com Stewart Clancy Stewart.Clancy@Shore-Deary.com Jeven R. Sloan Jeven.Sloan@Shore-Deary.com SHORE DEARY, L.L.P. Chateau Plaza, Suite 1565 2515 McKinney Avenue Dallas, Texas 75201 (800) 497-6444 (toll free) (214) 360-9622 (214) 739-3879(fax)	Joe R. Whatley, Jr. JWhatley@WhatleyDrake.com Othni Lathram OLathram@WhatleyDrake.com WHATLEY DRAKE, LLC 2323 2nd Avenue North Birmingham, Alabama 35203 (877) 395-3238 (toll free) (205) 328-9576 (205) 328-9669 (fax)

SUMMARY OF THE SETTLEMENT TERMS

The named plaintiffs in the Litigation, on behalf of themselves and the proposed Class; the J&G Defendants; and the insurance carriers for the J&G Defendants have reached a settlement subject to Court approval. The proposed settlement is memorialized in a Stipulation of Settlement dated April 28, 2004 (the "Stipulation"), which is on file with the Court and available for viewing or copying at the Office of the District Clerk, The Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, New York 10007-1312.

The settlement was achieved through a protracted mediation conducted by retired United States District and Court of Appeals Judge Robert Parker over three sessions and numerous conference calls. The settlement will become effective only upon the occurrence of certain specified events, including the entry of a judgment approving the settlement and that judgment becoming final and non-appealable. Within 30 days after the settlement becomes effective, the persons listed below will pay to the Special Master appointed by the Court to administer the settlement the following amounts totaling $75 million:

i) Amount to be paid by primary carrier – $18 million

ii) Amount to be paid by excess carriers – $45.5 million

iii) Amount to be paid by Jenkens & Gilchrist – $5.25 million

iv) Amount to be paid by Daugerdas - $3.960 million

v) Amount to be paid by Mayer - $1.430 million

vi) Amount to be paid by Guerin - $0.86 million

If Daugerdas, Mayer, or Guerin, because of events beyond his or her control (such as death, disability, or an unsolicited court order) fails to make the required payment to the Special Master by the initial due date, then he or she shall have an additional 90 days from the original due date within which to make the payment. After the Judgment approving the settlement becomes final, none of the J&G Defendants or their insurance carriers will have any interest, reversionary or otherwise, in the settlement funds.

If the settlement becomes effective, then all of the Class Members' claims against the J&G Defendants and their insurers and other related persons arising out of, based upon, relating to or connected with any of the Tax Strategies will be released and the Litigation will be dismissed with prejudice to the Class Members' right to re-assert such claims against the J&G Defendants and the other released persons. The Class Members will be enjoined from filing or further prosecuting other suits asserting any released claims against the released persons. In addition, Class Members will be required to protect the J&G Defendants and the other released persons from liability to other defendants and third parties for contribution, indemnity (except indemnity based on written contract) and other Claims Over[5] against the J&G Defendants based on recoveries (including settlements) by Class Members against those other defendants or third parties. This will require Class Members who recover a judgment or make other recovery against another defendant or third party to grant the defendant or third party a judgment credit or other form of set-off in an amount necessary to remove the defendant's or third party's Claim Over against the J&G Defendants and their related persons. If the defendant or third party against whom the Class Member has recovered does not have a contribution, indemnity or other Claim Over against the J&G Defendants or their related persons, then the Stipulation would not require the Class Member to give such person a judgment credit or set-off.

The Court has appointed / may appoint a Special Master to assist in administering claims, recommending a fair Plan of Allocation of the net settlement fund, and recommend an award of fees and expenses to Lead Counsel. That Special Master is Mr. / Ms. ________. His / Her qualifications are attached to this notice as Exhibit A.

Court-approved Class Counsel fees and expenses, Special Master fees and expenses, and other costs of administration will be paid first out of the settlement funds. The remaining settlement funds will be distributed to eligible Class Members who submit valid, timely Proofs of Claim. If the settlement is approved and becomes effective, you will receive a Proof of Claim

[5] "Claim Over" means all claims by a non-settling defendant or third party against a Released Person (hereinafter defined) directly or indirectly arising out of, based upon, relating to or connected with any of the Tax Strategies. "Claims Over" includes, but is not limited to, all such claims by a non-settling defendant or third party for contribution and indemnity. It does not, however, include claims based on a written indemnity agreement, such claims being expressly excluded

and Release form for use in submitting your claim to the Special Master. Class Members who fail to complete and timely submit a valid Proof of Claim and Release form, in accordance with the instructions that will accompany the form, will be barred from participating in distributions from the settlement fund (unless otherwise ordered by the Court), but will nonetheless be subject to and bound by all of the provisions of the Stipulation, the settlement and releases contained therein, and the final judgment entered by the Court.

JENKENS & GILCHRIST AND THE MALPRACTICE INSURERS HAVE CONDITIONED THEIR PAYMENT OBLIGATIONS ON FINAL APPROVAL OF THE SETTLEMENT, WITH NO CLASS MEMBER HAVING OPTED OUT

Jenkens & Gilchrist and its malpractice insurers have separately reserved the right to terminate the settlement if one or more Class Members elect to exclude themselves from (opt out of) the settlement.

A PRELIMINARY ANTI-SUIT INJUNCTION HAS BEEN ISSUED

Pending final determination of whether the settlement should be approved, the Court has preliminarily enjoined all Class Members, including the Representative Plaintiffs[6], from directly or indirectly, and in any other capacity, commencing or prosecuting any action or proceeding in this Court or in any other court or tribunal against the J&G Defendants, their insurance carriers

[6] "Representative Plaintiffs" means Thomas Denney, R. Thomas Weeks, Norman R. Kirisits and Kathryn M. Kirisits, TD Cody Investments, LLC, RTW High Investments, LLC, NRK Syracuse Investments, LLC, DKW Partners, DKW Lockport Investors, Inc., Donald A. DeStefano and Patricia J. DeStefano, DD Tiffany Circle Investments, LLC, Tiffany Circle Partners, Diamond Roofing Company, Inc., Jeff Blumin, JB Hilltop Investments, LLC, Kyle Blumin, KB Hoag Lane Investments, LLC, Michael Blumin, MB St. Andrews Investments, LLC, Fayetteville Partners, and Laurel Hollow Investors, Inc., the plaintiffs in the *Denney* Suit, in which this stipulation is being made, together with Henry N. Camferdam, Jr., Jeffrey M. Adams, Jay Michener, Carol Trigilio, BAMC, Inc., Carmel Partners, HNC Ditch Investments, L.L.C., JMA Sedgemour Investments, L.L.C., JM Walnut Investments, L.L.C., CT Oak Tree Investments, L.L.C., (the plaintiffs in the *Camferdam* Suit, who shall be joined as plaintiffs in the Denny suit for purposes of this settlement, but not otherwise), and Jack Riggs, Dot Com Investments, L.L.C., Sixth Street Partners, and Technology Capital Corporation (the plaintiffs in the *Riggs* Suit at the time the Mediated Settlement Agreement was executed, who shall be joined as plaintiffs in the *Denny* suit for purposes of this settlement, but not otherwise).

or any of their Related Parties[7] arising out of or based upon the Tax Strategies. A copy of the Court's injunction is attached as Exhibit B.

PLAN OF ALLOCATION

The settlement funds, less the attorneys' fees and expenses and the costs of administration (plus earnings on the funds before distribution), will be distributed to authorized claimants in accordance with a fair and equitable plan of allocation that will be determined by the Court following a recommendation by the court-appointed Special Master. The plan of allocation may be based on the following factors (in no particular order), among others:

- whether the Class Member is under Internal Revenue Service audit or has been assessed a deficiency regarding use of a Tax Strategy, or has paid or agreed to pay additional tax, interest, or penalties regarding use of a Tax Strategy;
- whether the Class Member is under audit by, has paid, or has agreed or been required to pay additional tax, interest or penalties by any state income taxing authority based upon use of a Tax Strategy;
- the size of the Tax Strategy in which the Class Member engaged;
- the amount of fees paid to Jenkens & Gilchrist by the Class Member;
- the expenses incurred by the Class Member in defending claims asserted by the IRS or state income taxing authority based upon use of a Tax Strategy;
- any opportunity costs incurred by Class Members who can establish that they used a Tax Strategy instead of a specific alternative means of lawfully reducing taxes;

[7] "Related Parties" means a person's ("person" includes a corporation or other entity) present or former directors, officers, partners, principals, members, stockholders, owners, employees, agents, servants, attorneys, underwriters, insurers (including, without limitation, the Carriers), subrogees, accountants, auditors, banks or investment bankers, advisors, personal or legal representatives, parent companies, subsidiaries, divisions, related and affiliated entities, predecessors, successors, joint venturers, heirs, executors, spouses, trusts, trustees, associates, administrators, any entity in which a person has a controlling interest, any members of their immediate families, and each of their respective representatives, heirs, executors, spouses, trusts, trustees, personal representatives, conservators, administrators, successors, transferees and assigns; provided, however, that in no event shall the term Related Parties include any non-settling defendants or Third Parties or their insurers. "Third Parties" means persons (including corporations or other entities) who actually or allegedly participated, directly or indirectly, in any aspect of the design, marketing or implementation of the Tax Strategies other then the non-settling defendants, the J&G defendants, and the J&G defendants' Related Parties.

- the dates on which the Class Member (a) received a Jenkens & Gilchrist tax opinion addressing a Tax Strategy, (b) filed a tax return reporting the results of a Tax Strategy, (c) received an audit notice, (d) received a deficiency assessment, and (e) agreed to pay or paid taxes, interest, or penalties relating to a Tax Strategy; and
- whether the Class Member's claims may be barred by limitations, in whole or in part.

FINAL JUDGMENT

If the Court approves the proposed settlement, the Court will also enter a final judgment which will, among other things:

(i) finally approve certification of the Class;

(ii) finally approve the settlement and the Stipulation as fair, reasonable and adequate, for purposes of Rule 23 of the Federal Rules of Civil Procedure, and direct the Representative Plaintiffs and the J&G Defendants to consummate the Settlement in accordance with the Stipulation;

(iii) dismiss with prejudice all claims asserted against the J&G Defendants, their insurance carriers and other Related Parties (collectively, the "Released Persons") in the *Denney* Suit, and order the Representative Plaintiffs to obtain similar dismissals with prejudice of all claims against the Released Persons in the *Camferdam* and *Riggs* Suits;

(iv) confirm the release of all Class Member claims against the Released Persons and bar and permanently enjoin all Class Members from asserting any of the released claims against any of the Released Persons;

(v) permanently bar and enjoin the Representative Plaintiffs, other Class Members, non-settling defendants (including all past, existing and future defendants in the *Camferdam*, *Denney*, and *Riggs* Suits), Third Parties and other persons sued or to be sued by the Class or Class Members from commencing or prosecuting any action against the

Released Persons relating to any of the Tax Strategies, including but not limited to any suit for contribution, common law or statutory indemnity, or other Claims Over; provided, however, that (a) suits by non-settling defendants or third parties based on a written indemnity agreement, if any, shall not be so barred and enjoined, and (b) subject to the obligation of the Representative Plaintiffs and the Class to protect Released Persons (by means of judgment reduction or otherwise) from liability to non-settling defendants or third parties on Claims Over, this provision shall not otherwise affect or diminish the rights of Representative Plaintiffs or other Class Members to assert claims against any non-settling defendant or third party for which the non-settling defendant or third party and the Released Persons would, in the absence of this provision, be jointly and severally liable.

(vi) find that there is no just reason for delay of entry of a Final Judgment;

(vii) provide that the Court shall retain jurisdiction to implement and enforce the Stipulation, and that the settling parties and all Class Members submit to the jurisdiction of the Court for purposes of implementing and enforcing the settlement;

(viii) expressly direct the Clerk of the Court to enter the Judgment; and

(ix) contain such other and further provisions consistent with the terms and provisions of the Stipulation to which the Representative Plaintiffs and the J&G Defendants agree.

Neither the proposed settlement nor the judgment approving it would release any Class Member claims against non-settling defendants.

REASONS FOR SETTLEMENT

Based on their investigation and analysis, Class Counsel believe that the proposed settlement is fair, reasonable, adequate and in the best interest of the Class based upon (i) uncertainties regarding the J&G Defendants' insurance coverage and the collectibility, either from insurance proceeds or otherwise, of any judgment that may be entered against the J&G Defendants, (ii) the difficulties and delays inherent in such litigation; (iii) the potential damages that might be recovered at trial; and (iv) the uncertain outcome and risk of continued litigation against the J&G Defendants. In negotiating the settlement, the named plaintiffs and their counsel (now Class Counsel) had to weigh the relative risks and benefits of settling now for a substantial payment, although one significantly less than the Class Members' total alleged damages, against proceeding to trial and possibly recovering a judgment but having no viable entity and no insurance coverage from which to collect it or possibly losing.

Class Counsel believe that the proposed settlement represents the best chance of a fair and equitable recovery spread among the entire Class. Class Counsel further believe that if the settlement is not approved, defense costs, individual settlements, and possible judgments against the J&G defendants in individual actions will limit recovery, if at all, to only the small minority of former Jenkens & Gilchrist clients who are first in line.

Class Counsel believe that uncertainties exist regarding Jenkens & Gilchrist's insurance coverage for Tax Strategy-related claims. The J&G Defendants' primary and excess malpractice insurance carriers both assert that there is no insurance coverage for the claims made in the Litigation (as well as other lawsuits) or for expenses incurred by the J&G Defendants in defending against such allegations. The primary carrier has filed a lawsuit -- *Executive Risk Indem. Inc. v. Jenkens & Gilchrist, a Texas Prof'l Corp., et al*, Case No. 03C 6882, in the United States District Court for the Northern District of Illinois, Eastern Division -- seeking a declaratory judgment of no-coverage based on its contention that the damages alleged in these suits are not insured "losses" and are subject to an exclusion for certain "wrongful acts." The excess carriers have indicated that unless the settlement is finalized, they intend to assert these and other defenses, which, if successful, would defeat coverage for all Class Member claims. The primary and excess insurers also contend that if individual cases are tried and result in findings of fraud, that the J&G Defendants were not engaged in the practice of law, or that the J&G Defendants violated the federal RICO Act, then insurance coverage could be negated for all Class Member claims.

Class Counsel recognize that not only is the existence of coverage uncertain, but so also is the adequacy of coverage to cover potential damages. All of the pertinent policies are reduced by defense costs and payments on judgments and settlements. Therefore, even if a few individual cases reach judgment and avoid coverage-defeating findings, they could well exhaust coverage with large actual and punitive damage awards, leaving nothing for most other recipients of Tax Strategy advice.

Class Counsel also believe that uncertainties exist regarding whether, absent a settlement, Jenkens & Gilchrist would survive a trial or be able to satisfy a judgment. The core assets of any law firm are its lawyers. They are highly mobile and can easily relocate, taking clients with them. Indeed, the more valuable the lawyer, the more mobile he or she is. To survive, a law firm must retain its existing lawyers and attract valuable new lawyers. This is a challenge even in the best of times, but it would be doubly difficult for a firm having to defend itself in multiple, high-profile, high-stakes lawsuits. That, however, would be Jenkens & Gilchrist's predicament -- and the Class Members', as well -- if this settlement were not approved. Class Members have already filed five cases against the J&G Defendants and Jenkens & Gilchrist has signed terminable-at-will tolling agreements with another 41 Class Members. The possibility that Jenkens & Gilchrist's defense costs and any judgments rendered against it would not be covered by insurance only increases the uncertainties regarding the firm's ability to survive the trial of individual cases concerning the Tax Strategies.

ATTORNEYS' FEES, COSTS AND EXPENSES

As compensation for their time and risk in prosecuting the Litigation, Class Counsel intend to apply to the Court for an award of attorneys' fees. Class Counsel also intend to seek reimbursement of the costs and expenses they incurred to prosecute the Litigation (including fees for services provided by tax and other experts and consultants), to investigate and evaluate the relevant facts and law, and to negotiate the settlement. The fees being sought by Class Counsel, as well as a description of the fee-sharing agreements between them, are attached hereto as Exhibit C **[to be added prior to Notice being sent out]**.

THE RIGHTS OF CLASS MEMBERS

If you are a Member of the Class, you have the following options:

- You may submit a completed Proof of Claim and Release ("Proof of Claim") to the Special Master using the form that you will be provided. If you choose this option and if the proposed settlement is finally approved by the Court, you will remain a Member of the Class, you will share in the proceeds of the proposed Settlement if your claim is timely and valid, and you will be bound by the judgment described above.
- If you do not wish to be included in the Class and participate in the proposed settlement, you may request to be excluded ("opt-out"). To request exclusion, you must do so in writing, stating (i) the name and case number for the *Denney* suit (*Thomas Denney, et al. on their own behalf and on behalf of all others similarly situated v. Jenkens & Gilchrist, a Texas Professional Corporation, et al.*, Case No. 03-CV-5460, in the United States District Court, Southern District of New York), (ii) your name, address and telephone number or, if you wish your identity as a participant in a Tax Strategy transaction to be confidential, to the

extent permitted by law, your confidential identification number noted below; and (iii) that you desire to be excluded from the Class. You should then mail the exclusion request to the following address:

Jenkens & Gilchrist Litigation Settlement
c/o ______________________________

The time for opting out will end ____________, 2004 (90 days after the notice date). NO REQUEST FOR EXCLUSION WILL BE CONSIDERED VALID UNLESS ALL OF THE INFORMATION DESCRIBED ABOVE IS INCLUDED IN SUCH REQUEST AND THE REQUEST IS TIMELY RECEIVED.

If you validly request exclusion from the Class (a) you will be excluded from the Class, (b) you will not share in the proceeds of the Settlement described herein, (c) you will not be bound by the judgment described above, (d) you will not be precluded from otherwise timely prosecuting an individual claim against any of the J&G Defendants based on the matters complained of in the Litigation, but (e) Jenkens & Gilchrist and its insurers have a right to and may terminate this settlement as to all Class Members.

If (a) Jenkens & Gilchrist and its insurers do not terminate the settlement because one or more Class Members has opted out, and (b) you do not request to be excluded from the Class, then whether or not you submit a proof of claim, you will be bound by any and all judgments, orders or settlements entered or approved by the Court, whether favorable or unfavorable to the Class, including, without limitation, the judgment described above.

- If you do not request exclusion from the Class, you may object to the settlement and/or Class counsel's application for attorneys' fees and expense reimbursement. However, if your objection is rejected, you will be bound by the settlement (unless Jenkens & Gilchrist or its insurers have terminated it) and judgment just as if you had not objected.

- You may do nothing at all. If you choose this option, you will not share in the proceeds of the Settlement, but you will be bound by the settlement and the judgment approving and implementing it.
- If you are a Member of the Class, you may, but are not required to, enter an appearance through counsel of your own choosing at your own expense.

YOUR IDENTITY

The Court has ordered the Class certification and settlement process to be handled in such a way as to preserve the confidentiality of your identity as a person who participated in one or more Tax Strategies. Nothing in the Court's Order either prohibits the Government of the United States of America from obtaining your identity or allows it to do so; the Government's right to discover your identity is being enforced before United States District Judge James Moran in the Northern District of Illinois, Eastern Division. The Court has instructed Jenkens & Gilchrist to assign each Class Member an identification number for use by the Class Member, the Court, the Special Master and the parties to the settlement. The following Confidential Identification Number has been assigned to you, your spouse (if he/she jointly filed with you a tax return claiming tax benefits resulting from a Tax Strategy transaction(s)) and all entities involved in implementing your Tax Strategy transaction(s):____________________. If you, your jointly filing spouse and/or any of the entities involved in implementing your Tax Strategy transaction(s) desires a separate Confidential Identification Number, one may be requested by writing to:

Jenkens & Gilchrist Litigation Settlement
c/o ____________________________
____
____

If you wish to object to Class certification, object to the settlement, request exclusion from the Class, bring any other issue to the Court's attention and/or file a proof of claim and release form, you may do so, in accordance with the procedures set forth in this notice, by filing such papers using only your confidential identification number and no other identifying information. Any responses to your filings will be served on Jenkens & Gilchrist, who will then forward them to you. If you do not request exclusion from the Class and if the settlement is approved, your share of the settlement fund will be distributed to you in such a way as to preserve the confidentiality of your identity.

To facilitate communications with Class Members, Class Counsel may ask the Court to enter an order granting Class Counsel access to the names and addresses of Class Members. Such an application would seek access subject to a protective order confining use to the prosecution of this settlement. The Court may or may not grant such an application.

THE FINAL APPROVAL HEARING

A hearing will be held on __________________ _____, 2004, before the Honorable Shira A. Scheindlin, Courtroom 12C, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, New York 10007-1312, for the following purposes:

- determining whether the proposed settlement is fair, reasonable and adequate and should be approved by the Court; whether the judgment described above should be entered; whether claims against the J&G Defendants should be dismissed with prejudice to Class Members' rights to re-assert them against the J&G Defendants and their related parties in the same or any other litigation; and
- considering Class Counsel's application for attorneys' fees, costs and expenses.

The hearing may be adjourned from time to time by the Court without further notice. Any Class Member who has not requested exclusion may appear at the hearing to object to the proposed settlement, entry of the proposed judgment, the Special Master's recommended plan of allocation and/or Class Counsel's application for attorneys' fees and expenses and/or to bring any other matter pertaining to the settlement to the Court's attention; however, no such person shall be heard, unless his, her or its objection or opposition is made in writing and filed with the Court no later than **twenty-one (21) days before the Settlement Hearing**, and showing due proof of service on:

Jenkens & Gilchrist Litigation Settlement
c/o ____________________________
____
____

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W. Ralph Canada, Jr.
Stewart Clancy
Jeven R. Sloan
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2515 McKinney Avenue
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Austin, Texas 78701-4320
512-474-6061
Fax: 512-474-1605

ATTORNEYS FOR DAUGERDAS, MAYER and GUERIN

Any Class Member who does not assert his or her objection or opposition in the manner provided shall be deemed to have waived all objections and opposition to the approval of the proposed settlement, entry of the judgment, adoption of the Special Master's recommended plan of allocation and Class Counsel's request for fees and expenses.

ADDITIONAL INFORMATION: EXAMINATION OF PAPERS AND INQUIRIES

For a more detailed description of the matters involved in this Litigation, reference is made to the pleadings, the Stipulation and the other papers filed in this action, which may be inspected during normal business hours on business days at the Office of the Clerk of the United States District Court, Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, New York 10007-1312.

PLEASE DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE

DATED: ____________________

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

EXHIBIT A-2

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

THOMAS DENNEY,	§	
R. THOMAS WEEKS, NORMAN R.	§	
KIRISITS, KATHRYN M. KIRISITS,	§	
TD CODY INVESTMENTS, L.L.C.,	§	
RTW HIGH INVESTMENTS, L.L.C.,	§	NO. 03-CV-5460 (SAS)
NRK SYRACUSE INVESTMENTS,	§	
L.L.C., DKW PARTNERS, DKW	§	
LOCKPORT INVESTORS, INC.,	§	
DONALD A. DESTEFANO,	§	
PATRICIA J. DESTEFANO, DD	§	
TIFFANY CIRCLE INVESTMENTS,	§	
L.L.C., TIFFANY CIRCLE PARTNERS,	§	
DIAMOND ROOFING COMPANY,	§	
INC., JEFF BLUMIN, JB HILLTOP	§	
INVESTMENTS, LLC, KYLE BLUMIN,	§	
KB HOAG LANE INVESTMENTS, LLC,	§	
MICHAEL BLUMIN, MB ST. ANDREWS	§	
INVESTMENTS, LLC, FAYETTEVILLE	§	
PARTNERS, AND LAUREL HOLLOW	§	
INVESTORS, INC., on their own	§	
behalf and on behalf of	§	
all others similarly situated,	§	
	§	
PLAINTIFFS,	§	
	§	
v.	§	
	§	
JENKENS & GILCHRIST, A TEXAS	§	
PROFESSIONAL CORPORATION,	§	
JENKENS & GILCHRIST, AN ILLINOIS	§	
PROFESSIONAL CORPORATION,	§	
BDO SEIDMAN, L.L.P., PASQUALE &	§	
BOWERS, L.L.P., CANTLEY &	§	
SEDACCA, L.L.P., DERMODY,	§	
BURKE, AND BROWN, CERTIFIED	§	
PUBLIC ACCOUNTANTS, PLLC, PAUL	§	
M. DAUGERDAS, PAUL SHANBROM,	§	
EDWARD SEDACCA, DEUTSCHE BANK	§	
AG, and DEUTSCHE BANK SECURITIES,	§	
INC., D/B/A DEUTSCHE BANK ALEX	§	
BROWN, a DIVISION of DEUTSCHE	§	
BANK SECURITIES, INC.	§	
DEFENDANTS.	§	

PROOF OF CLAIM AND RELEASE

Must be Postmarked No Later Than:
_____________ _____, 2004
Please Type or Print

Jenkens & Gilchrist's records indicate that you are a member of a recently certified Class (defined below) of persons who were advised by Jenkens & Gilchrist and certain of its shareholders with respect to certain Tax Strategies (defined below) that are now being challenged by the Internal Revenue Service ("IRS"). As explained in the accompanying Notice of Settlement of Class Action Claims Against Jenkens & Gilchrist and its Shareholders (the "Notice"), the Class Representatives in the above-referenced case allege that Jenkens & Gilchrist and certain of its shareholders are liable to the Class for actual and punitive damages. Subject to Court approval, the parties have reached a settlement whereby Jenkens & Gilchrist, certain of its shareholders and its insurance carriers will contribute a total of $75 million in return for, among other things, complete extinguishment of all claims, known and unknown, matured and unmatured, based upon or arising out of advice given by Jenkens & Gilchrist and its attorneys concerning any of the Tax Strategies. For more complete details of the settlement, please see the Notice or the Stipulation of Settlement that is on file with the Court and available for review and copying at the address noted in the Notice.

To recover from the fund created by the settlement, you must complete this Proof of Claim and Release form in accordance with the instructions contained herein, sign it before a notary public, attach all documents required by the form, and mail the completed form to the address indicated below on or before the date indicated below.

DEFINITIONS

The definitions contained in the Stipulation of Settlement on file herein apply in this Proof of Claim and Release form. Those definitions include, among others:

1. "Class" means all Persons who, from January 1, 1999, through December 31, 2003, inclusive, either (1) consulted with, relied upon, or received oral or written opinions or advice from Jenkens & Gilchrist or any Jenkens & Gilchrist attorney concerning any one or more of the Tax Strategies and who in whole or in part implemented, directly or indirectly, any one or more of the Tax Strategies or (2) filed with a Person described in (1) a joint tax return for the year(s) in which such Tax Strategy was implemented, and (3) the legal representatives, heirs, successors, and assigns of all Persons described in (1) and (2). The "Class" includes, without limitation, the individuals, partnerships, limited liability companies, trusts, corporations and other legal entities that Jenkens & Gilchrist or any Jenkens & Gilchrist attorney advised concerning, that were formed in connection with, or that engaged or were utilized in any one or more of the Tax Strategies. The "Class" excludes, however, any Persons described in (1), (2) and (3) who have released all Released Claims against the J&G Defendants.

2. "Daugerdas" means Paul Daugerdas and Paul M. Daugerdas Chartered.

3. "Guerin" means Donna Guerin.

4. "J&G Defendants" means Jenkens & Gilchrist and all Persons (including Daugerdas, Mayer and Guerin) who, during all or any part of the period January 1, 1998, to date, held the status of director, officer, stockholder, partner, principal, member, owner and/or employee in any of the entities comprising Jenkens & Gilchrist (whether or not any such Person has been sued in any of the Litigation).

5. "Jenkens & Gilchrist" means Jenkens & Gilchrist, a Texas Professional Corporation, Jenkens & Gilchrist, an Illinois Professional Corporation, Jenkens & Gilchrist Parker Chapin LLP, a New York limited liability partnership, and Jenkens & Gilchrist LLP, a California limited liability partnership.

6. The "Litigation" means the following three lawsuits:

- *Thomas Denney, et al. on their own behalf and on behalf of all others similarly situated v. Jenkens & Gilchrist, a Texas Prof'l Corp., et al.*, Case No. 03-CV-5460 (SAS), in the United States District Court, Southern District of New York ("The *Denny* Suit").
- *Henry N. Camferdam, Jr., et al. on their own behalf and on behalf of all others similarly situated v. Ernst & Young Int'l, Inc., et al.*, Case No. 02-CV-10100 (BSJ), in the United States District Court, Southern District of New York ("The *Camferdam* Suit").
- *Jack Riggs et al. v. Jenkens & Gilchrist, et al.*, Case No. 03-6291-C, in County Court at Law No. 3, Dallas County, Texas ("The *Riggs* Suit").

7. "Mayer" means Erwin Mayer.

8. "Parties" or "Party" refers to the Plaintiffs and the Settling Defendants.

9. "Person" means a natural person, corporation, partnership, limited partnership, limited liability company, association, joint stock company, estate, legal representative, trust or trustee, bankruptcy estate or trustee, unincorporated association, and any other business or legal entity, and their representatives, heirs, executors, spouses, personal representatives, administrators, predecessors, successors, transferees, or assigns.

10. "Related Parties" means a Person's present or former directors, officers, partners, principals, members, stockholders, owners, employees, agents, servants, attorneys, underwriters, insurers (including, without limitation, the Carriers), subrogees, accountants, auditors, banks or investment bankers, advisors, personal or legal representatives, parent companies, subsidiaries, divisions, related and affiliated entities, predecessors, successors, joint venturers, heirs, executors, spouses, trusts, trustees, associates, administrators, any entity in which a Person has a controlling interest, any members of their immediate families, and each of their respective representatives, heirs, executors, spouses, trusts, trustees, personal representatives, conservators, administrators, successors, transferees and assigns; provided, however, that in no event shall the term Related Parties include any Non-Settling Defendants or Third Parties or their insurers.

11. "Released Claims" means any and all claims, rights, and causes of action (including Unknown Claims) for actual or exemplary damages, losses, fees, costs and other recoveries and remedies of any kind, nature and/or description whatsoever, matured or unmatured, liquidated or unliquidated, accrued or unaccrued, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not asserted, threatened, alleged or litigated, at law, equity or otherwise. "Released Claims" include without limitation, claims for contribution, indemnification, attorneys' fees, violations of the Racketeer Influenced and Corrupt Organizations Act (18 U.S.C. § 1961, *et seq.*), civil conspiracy, breach of fiduciary duty, fraud, breach of contract, breach of the duty of good faith and fair dealing, negligence, gross negligence, negligent misrepresentation, professional malpractice, declaratory judgment, unjust enrichment, charging excessive fees, breach of any applicable duty of care, breach of duty of loyalty, defalcation, claims concerning disclosure of Class Members' identities to any Person or governmental entity pursuant to law (or a reasonable interpretation thereof), court order,

subpoena or other legal compulsion, recovery of costs and expenses (including, without limitation, amounts paid in settlement) and any other breaches or violations of any federal, state or local statutes, common law doctrines, rules or regulations, that now exist or heretofore existed, that have been or could have been asserted, whether directly, indirectly, representatively, derivatively or in any other capacity, in the Litigation or any other forum (judicial, administrative, arbitral or other) against the Released Persons. Provided, however, that the Released Claims are only those (but all of those) which arise out of, are based upon, relate to, or are connected with advice, services, consultation, tax opinions, or other acts or omissions by any of the Released Persons concerning or relating directly or indirectly to any of the Tax Strategies and occurring prior to the Effective Date. "Released Claims" specifically include, but are not limited to, all claims and causes of action that the Representative Plaintiffs or the Class alleged or could have alleged against the Settling Defendants in the Litigation.

12. "Released Persons" means the Settling Defendants and their Related Parties; provided, however, that in no event shall "Released Persons" include the non-settling defendants or Third Parties or their insurers.

13. "Settling Defendants" means (i) those of Jenkens & Gilchrist, Daugerdas, Mayer and Guerin who pay to the Special Master the amounts they are obligated to pay and (ii) the Carriers, only in their capacities as insurers of the J&G Defendants, who pay to the Special Master the amounts they are obligated to pay.

14. The "Tax Strategies" means those tax-reducing strategies that are the basis of the *Denney*, *Camferdam* and *Riggs* suits, as well as all other tax-reducing strategies advised upon or opined about by any of the Settling Defendants involving (a) basis-enhancing investment transactions, (b) basis-enhancing derivatives structures, (c) basis leveraged investment swap

spreads, (d) hedge option monetization of economic remainders, (e) basis adjustment remainder trusts, (f) gain option partnerships, or (g) other basis-enhancing, basis-preserving, and / or gain-avoidance transactions utilizing options and / or indebtedness and involving corporations and / or partnerships. "Tax Strategy" means any one of the foregoing.

15. "Third Parties" means Persons who actually or allegedly participated, directly or indirectly, in any aspect of the design, marketing or implementation of the Tax Strategies other than the Non-Settling Defendants, the J&G Defendants, and the J&G Defendants' Related Parties. "Third Party" means any one of the foregoing.

GENERAL INSTRUCTIONS AND INFORMATION

1. YOU MUST MAIL YOUR COMPLETED, SIGNED AND NOTARIZED PROOF OF CLAIM AND RELEASE ON OR BEFORE _________________, 2004, TO THE FOLLOWING ADDRESS:

Jenkens & Gilchrist Litigation Settlement
c/o ______________________________
____
____

2. Failure to submit a properly completed Proof of Claim and Release in accordance with the instructions contained herein may result in the rejection of your claim and your being precluded from recovering from the settlement fund. Submission of this Proof of Claim and Release, however, does not assure that you will share in the proceeds of the settlement.

3. If you are a Class Member and do not timely request exclusion from the Class in accordance with the instructions contained in the Notice, you will bound by the terms of any judgment entered herein, WHETHER OR NOT YOU SUBMIT A PROOF OF CLAIM AND RELEASE.

4. If you are NOT a Class Member DO NOT submit a Proof of Claim and Release form.

5. The Special Master appointed herein will administer and finalize the settlement in such a way as to preserve Class Member confidentiality. All written and electronic materials received or generated by the Special Master or the Court containing Class Member identities or information from which class member identities can reasonably be determined shall be ~~be sealed~~ ~~and~~ unavailable for public inspection or copying by any person or entity, except that nothing in this settlement shall prohibit the Government of the United States of America from obtaining the identities of the Class Members.

6. To further assist in this confidential treatment, you were provided in a previous notice with a Confidential Identification Number instead of your name or other identifying information. If you have misplaced your Confidential Identification Number, you may contact the Special Master at the address indicated above and he or his staff will provide it to you again upon satisfactory proof of identification. At your option, you may complete this form either by (i) using only your Confidential Identification Number and masking your name, social security number and all other identifying information from all documents submitted with the form, or (ii) providing actual identification information. IF YOU PROVIDE ACTUAL IDENTIFICATION INFORMATION IN YOUR PROOF OF CLAIM AND RELEASE, THE COURT AND THE PARTIES WILL PRESUME THAT YOU DO NOT ASSERT THAT YOUR IDENTITY AS A PARTICIPANT IN A TAX SHELTER TRANSACTION IS CONFIDENTIAL OR PRIVILEGED AND THE COURT WILL EXEMPT SUCH INFORMATION FROM THE TERMS OF ITS ORDER REQUIRING CONFIDENTIAL TREATMENT.

7. The information that you give may become outdated because of a change in your circumstances (for example, you may be audited, assessed interest and penalties, etc.). In the event of a change in circumstances, you should, as soon as possible, submit a notarized Supplemental Proof of Claim and Release on this same form, noting the new information and attaching supporting documents. Your submission of a Supplemental Proof of Claim and Release, however, will not necessarily entitle you to a greater share of the settlement fund under the plan of allocation to be approved by the Court.

PART I: CLAIMANT IDENTIFICATION

AT YOUR OPTION, complete either Section A or B, but not both:

A. My Confidential Identification Number is ________________________.

B. CLAIMANT IDENTIFICATION INFORMATION **(do not answer if you have answered A.)**:

Class Member's Name (First, Middle, Last)

____

Street Address

______________________________ ______________________________

City | State | Zip Code

______________________________ ______ Individual

Social Security Number or
Taxpayer Identification Number | ______ Corporate/Other

________ ____________________ (work)

Area Code | Telephone Number

________ ____________________ (home)

Area Code | Telephone Number

If I have responded by including information in section B, above, by my signature below, I agree and acknowledge that my identity as a participant in a Tax Shelter transaction (name, Social Security Number, address, telephone numbers and other information set forth I.B. above) is NOT confidential or privileged. I consent to the non-confidential

treatment of such identity and contact information, including but not limited to, its disclosure to the attorneys appointed as Class Counsel herein.

PART II. CLAIM RELATED INFORMATION

NOTE: The information and documents requested below will be used for purposes of claims administration only and for no other purpose:

[Note: The following requests for information are for consideration by the Court and the Special Master, and may be modified or added to, as they deem appropriate.]

1. Complete the attached form marked Exhibit A.

2. State the name, current address and telephone number of any person with whom you filed a joint federal or state tax return for the tax years for which you provided information in Exhibit A and indicate the tax year(s) for which you filed jointly with that person.

3. List all corporations, limited liability companies, limited liability partnerships, trusts and other entities in which you held a direct or indirect ownership interest and which participated in the Tax Strategy transactions for which you provided information in Exhibit A. Also, for each such entity, provide the entity's current status (e.g., still existing, dormant, etc.), current address and contact person for the entity, and your current ownership interest in the entity.

4. I paid fees in the following amounts to Jenkens & Gilchrist for advice and counseling relating to Tax Strategy transactions.

Year	Total Fees Paid to J&G for Year
______	____________________
______	____________________
______	____________________
______	____________________

YOU MUST ALSO READ AND SIGN THE RELEASE ON PAGE 14.

RELEASE, SUBMISSION TO JURISDICTION OF COURT AND ACKNOWLEDGEMENTS

I submit this Proof of Claim and Release under the terms of the settlement described in the Notice and memorialized in the Stipulation of Settlement (the "Stipulation") on file with the Court. I also submit to the jurisdiction of the United States District Court for the Southern District of New York with respect to my claim as a Class Member in this action and for purposes of enforcing the release set forth herein. I acknowledge that I am bound by and subject to the terms of all judgments and orders that have been or may be entered in this action concerning claims against the J&G Defendants. I agree to furnish additional information to the Special Master to support my claim if required to do so.

RELEASE

A. I hereby acknowledge full and complete satisfaction of, and do hereby fully, finally and forever release, relinquish and discharge all Released Persons from all Released Claims, whether known or unknown. **I waive the rights and benefits conferred on me by any state or federal law limiting the application of a general release to known claims, including but not limited to §1542 of the California Civil Code, which provides:**

> **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.**

I acknowledge that I may not know of the existence of some Released Claims or of facts that may be relevant to such Claims, and that if such Claims or information were known to me, it could change my decision to execute this Release. I nonetheless freely assume this risk in agreeing to release, relinquish and discharge all Released Claims, known and unknown.

B. I agree and consent to the dismissal with prejudice of all Released Claims asserted by me or on my behalf. I have no right to assert again any of the Released Claims against any Released Person in any court or tribunal..

C. I agree and acknowledge that this release does not limit the scope or application of the release and extinguishment of claims contained in any judgment entered herein pursuant to the above-referenced settlement with the J&G Defendants. I agree and acknowledge that I am subject to any such judgment.

D. This Release shall be of no force or effect unless and until the Court approves the Stipulation, the Stipulation becomes effective by its terms, the Court enters the judgment contemplated by the Stipulation, and such judgment becomes final and non-appealable.

E. I warrant and represent that I have not assigned or transferred or purported to assign or transfer, voluntarily or involuntarily, any claim or matter released pursuant to this Release or any part or portion thereof.

F. I warrant and represent that the factual information that I have supplied above in the Proof of Claim section of this instrument is true and correct.

Signed this ____ day of ________, 2004.

(Sign your name or confidential identification number here)

____

(Type or print your name here)

STATE (COMMONWEALTH) OF §
_________________________ §
§
COUNTY OF ______________ §

BEFORE ME, the undersigned Notary Public, on this day personally appeared ____________________, known to me to be the person whose name is signed to the foregoing instrument, and acknowledged to me that (i) s/he has executed the same for the purposes and consideration therein expressed and in the capacity stated and that s/he was fully authorized to do so, and (ii) s/he declared under penalty of perjury under the laws of the United States of America and of this State that the foregoing factual information supplied by him/her is true and correct

Notary Public in and for the
State (Commonwealth) of ______________

My Commission expires ______________

Reminder Checklist:

1. Please sign the above release and declaration before a notary public.

2. Remember to attach supporting documentation, if available.

3. Send copies of documents, not originals.

4. Keep a copy of your claim form for your records.

5. If you desire an acknowledgement of receipt of your claim form, please send it Certified Mail, Return Receipt Requested.

6. If you move, please send your new address to:
   Jenkens & Gilchrist Litigation Settlement
   c/o ______________________________
   ____
   ____

EXHIBIT A-3

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

THOMAS DENNEY, R. THOMAS WEEKS, NORMAN R. KIRISITS, KATHRYN M. KIRISITS, TD CODY INVESTMENTS, L.L.C., RTW HIGH INVESTMENTS, L.L.C., NRK SYRACUSE INVESTMENTS, L.L.C., DKW PARTNERS, DKW LOCKPORT INVESTORS, INC., DONALD A. DESTEFANO, PATRICIA J. DESTEFANO, DD TIFFANY CIRCLE INVESTMENTS, L.L.C., TIFFANY CIRCLE PARTNERS, DIAMOND ROOFING COMPANY, INC., JEFF BLUMIN, JB HILLTOP INVESTMENTS, LLC, KYLE BLUMIN, KB HOAG LANE INVESTMENTS, LLC, MICHAEL BLUMIN, MB ST. ANDREWS INVESTMENTS, LLC, FAYETTEVILLE PARTNERS, AND LAUREL HOLLOW INVESTORS, INC., on their own behalf and on behalf of all others similarly situated,	§	NO. 03-CV-5460 (SAS)
PLAINTIFFS,	§	
v.	§	
JENKENS & GILCHRIST, A TEXAS PROFESSIONAL CORPORATION, JENKENS & GILCHRIST, AN ILLINOIS PROFESSIONAL CORPORATION, BDO SEIDMAN, L.L.P., PASQUALE & BOWERS, L.L.P., CANTLEY & SEDACCA, L.L.P., DERMODY, BURKE, AND BROWN, CERTIFIED PUBLIC ACCOUNTANTS, PLLC, PAUL M. DAUGERDAS, PAUL SHANBROM, EDWARD SEDACCA, DEUTSCHE BANK AG, and DEUTSCHE BANK SECURITIES, INC., D/B/A DEUTSCHE BANK ALEX BROWN, a DIVISION of DEUTSCHE BANK SECURITIES, INC.,	§	
DEFENDANTS.	§	

SUMMARY NOTICE

TO: ALL PERSONS WHO, FROM JANUARY 1, 1999, THROUGH DECEMBER 31, 2003, INCLUSIVE, EITHER (1) CONSULTED WITH, RELIED UPON, OR RECEIVED ORAL OR WRITTEN OPINIONS OR ADVICE FROM JENKENS & GILCHRIST OR ANY JENKENS & GILCHRIST ATTORNEY CONCERNING CERTAIN TAX STRATEGIES NOW SUBJECT TO INTERNAL REVENUE SERVICE CRITICISM AND WHO IN WHOLE OR IN PART IMPLEMENTED, DIRECTLY OR INDIRECTLY, ANY ONE OR MORE OF SUCH TAX STRATEGIES OR (2) FILED WITH A PERSON DESCRIBED IN (1) A JOINT TAX RETURN FOR THE YEAR(S) IN WHICH SUCH TAX STRATEGY WAS IMPLEMENTED, AND (3) THE LEGAL REPRESENTATIVES, HEIRS, SUCCESSORS, AND ASSIGNS OF ALL PERSONS DESCRIBED IN (1) AND (2). THE "CLASS" INCLUDES, WITHOUT LIMITATION, THE INDIVIDUALS, PARTNERSHIPS, LIMITED LIABILITY COMPANIES, TRUSTS, CORPORATIONS AND OTHER LEGAL ENTITIES THAT JENKENS & GILCHRIST OR ANY JENKENS & GILCHRIST ATTORNEY ADVISED CONCERNING, THAT WERE FORMED IN CONNECTION WITH, OR THAT ENGAGED OR WERE UTILIZED IN ANY ONE OR MORE OF THE TAX STRATEGIES.

YOU ARE HEREBY NOTIFIED that the United States District Court for the Southern District of New York, in *Thomas Denney, et al. on their own behalf and on behalf of all others similarly situated v. Jenkens & Gilchrist, a Texas Professional Corporation, et al.*, Case No. 03-CV-5460 (SAS), has preliminarily certified a Plaintiff Class of persons described above.

The Court has also preliminarily approved a settlement of the Class's claims against Jenkens & Gilchrist, it shareholders, employees and insurance carriers. The terms of the settlement are memorialized in a Stipulation of Settlement, which is available for viewing and copying at the Office of the District Clerk, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, New York 10007-1312. The money paid by Jenkens & Gilchrist, certain of its shareholders and its insurance carriers under the settlement will be distributed, after payment of Class Counsel's fees and administrative expenses, to eligible Class Members who submit Proofs of Claim and Releases. Distributions will be made in accordance with a plan of allocation to be determined by the Court.

The Court has also ordered that all aspects of the settlement and claim administration process be conducted in such a way as to preserve the confidentiality of a Class Member's identity as a participant in one of the kinds of transactions that the Internal Revenue Service is now challenging. Nothing in the Court's Order either prohibits the Government of the United States of America from obtaining your identity or allows it to do so; the Government's right to discover your identity is being enforced before United States District Judge James Moran in the Northern District of Illinois, Eastern Division. Although the Court has ordered Jenkens & Gilchrist to assign each identifiable Class Member a Confidential Identification Number for the Class Member's use, at his or her option, in participating in settlement proceedings by submitting a Proof of Claim and Release or electing to be excluded from the Class, use of such confidential identification number does not prohibit in any way the Government of the United States of America from obtaining the identity of such class member.

If you are or believe you might be a member of the above-described Class, but have not received a Notice of Settlement of Class Action Claims Against Jenkens & Gilchrist and its Shareholders (the "Notice"), you should write to the above address or call the following number, to request such document:

Jenkens & Gilchrist Litigation Settlement
c/o ______________________
____
____
214/________________

The Notice that you will be sent will, among other things, contain your Confidential Identification Number and instructions regarding its use to preserve the confidentiality of your identity as a participant in a transaction involving one of the now questioned tax strategies.

YOU ARE FURTHER NOTIFED that a hearing will be held on ___________, 2004 at_____ __.m. before the Honorable Shira A. Scheindlin, Courtroom 12C, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, New York 10007-1312, for the purpose of determining, among other settlement-related issues, whether the proposed settlement is fair, reasonable and adequate and should be approved by the Court; whether the Court should enter a judgment approving the settlement and extinguishing the Class's claims against the Jenkens & Gilchrist firm, its shareholders, employees and other related parties; and to consider Class Counsel's application for attorneys' fees, costs and expenses. .

If you are a Class Member, you will be bound by any judgment rendered in the *Denney* case unless you mail to the following address, for receipt no later than _________, 2004, a written request to be excluded from the Class:

Jenkens & Gilchrist Litigation Settlement
c/o ____________________________
____
____

Any objection to the class certification or the settlement must be filed with the Court no later than ________________ and served on the counsel listed below.

Exhibit C

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS

WILLIAM SEIPPEL, et al.,	§	
	§	
PLAINTIFFS,	§	
	§	
v.	§	**NO. 03-CV-6942 (SAS)**
	§	
SIDLEY AUSTIN BROWN & WOOD, LLP, et al.,	§	
	§	
	§	**AFFIDAVIT OF**
DEFENDANTS.	§	**W. RALPH CANADA, JR.**

AFFIDAVIT OF W. RALPH CANADA, JR.

STATE OF TEXAS)
)
COUNTY OF DALLAS)

W. Ralph Canada, Jr., being duly sworn, deposes and says:

1. I am a member of the State Bar of Texas and am admitted to this Court. I am a partner with Deary Montgomery DeFeo & Canada, LLP ("DMDC") and one of the attorneys for Plaintiffs in *Denney, et al., v. Jenkens & Gilchrist, et al.*, No. 03-CV-5460(SAS), pending in the Southern District of New York (the "*Denny* case").

2. As part of the Class Settlement in the *Denney* case, Jenkens & Gilchrist produced approximately 70,000 documents (200,000 pages), primarily on 4 CDs and 2 DVDs. Additionally, Jenkens & Gilchrist has also supplemented this "confirmatory discovery" with additional CDs.

3. The documents contained in the CDs and DVDs are in pdf format. Other than general groupings on the 4 CDs, the documents are not organized or grouped in any

logical way; the documents on the DVDs, which contain the vast bulk of the documents, are basically in random order.

4. The documents on the 4 CDs are redacted. The information on the 2 DVDs and the supplemental CDs are not redacted.

5. In order to find any documents involving the Seippel Plaintiffs, DMDC employees will have to go through the documents one by one and print off whatever documents they find that pertain to the Seippels as well as redact any information pertaining to any other client that may also be on that document.

6. Because of the enormous amount of pdf files contained on the DVDs and supplemental CDs, this process will take countless man-hours to complete and would thus be prohibitively expensive.

7. Prior to the time they opted out, DMDC produced all relevant documents to the Seippel Plaintiffs from the 4 redacted CDs.

FURTHER, AFFIANT SAYETH NOT.

SIGNED this 13th day of June, 2005.

W. Ralph Canada, Jr.

SUBSCRIBED AND SWORN TO ME on this 13 day of June, 2005, to certify which witness my hand and seal of office.

PATTY A. SMITH
Notary Public, State of Texas
My Commission Expires
October 12, 2007

Notary Public in and of the State of Texas

My Commission Expires:

Patty Smith

Printed Name

Exhibit D

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

THOMAS DENNEY, et al.,	§	
	§	NO. 03-CV-5460 (SAS)
PLAINTIFFS,	§	
	§	
v.	§	
	§	
JENKENS & GILCHRIST, A TEXAS	§	
PROFESSIONAL CORPORATION, et al.,	§	
	§	
DEFENDANTS.	§	

JUL - 9 2004

ORDER GRANTING MOTION FOR DISCLOSURE
AND PROTECTIVE ORDER

Before this Court is a motion and memorandum in support thereof filed by Plaintiffs requesting the Court order disclosure to Class Counsel of information, as part of the confirmatory discovery efforts in the settlement reached with Jenkens & Gilchrist, P.C., Paul Daugerdas, Erwin Mayer and Donna Guerin (hereinafter the "J&G Defendants") on behalf of the Class preliminarily certified for settlement by this Court on May 14, 2004, from the J&G Defendants that contains the name, identifying information, and confidential tax information of Class Members.

For the reasons and to the extent stated herein, the Court hereby grants Plaintiffs' Motion and ORDERS:

1. All information that the J&G Defendants produce by order of this Court or pursuant to the settlement preliminarily approved on May 14, 2004 shall be produced to Class Counsel set forth below:

P.02 Jul 14 2004 17:40 Fax:212-245-3009 KANE KESSLER

Lead Class Counsel:

David R. Deary
W. Ralph Canada, Jr.
DEARY MONTGOMERY DEFEO & CANADA, L.L.P.
Chateau Plaza, Suite 1565
2515 McKinney Avenue
Dallas, Texas 75201
(214) 360-9622
(214)739-3879 (fax)

Joe R. Whatley, Jr.
Othni Lathram
WHATLEY DRAKE, LLC
2323 2nd Avenue North
Birmingham, Alabama 35203
(205) 328-9576
(205) 328-9669 (fax)

Ernest Cory
CORY WATSON CROWDER & DEGARIS
2131 Magnolia Avenue
Birmingham, Alabama 35205
(205) 328-2200
(205) 324-7896 (fax)

Other Class Counsel:

Stephen F. Malouf
3506 Cedar Springs
Dallas, Texas 75219
214 969 7373
214 969 7648 (fax)

2. This information, other than individual client files and any redacted documents already produced, may be produced without redacting information which identifies Class Members or which discloses the confidential tax information of any particular Class Member.

3. The disclosure of this information to Class Counsel does not waive any claim of confidentiality or privilege.

4. Such information provided to Class Counsel shall not be further disclosed without order of the Court, permission of the individuals whose information might be disclosed or redaction of all confidential information, and Class Counsel are not required to engage in such redaction except and to the extent they deem necessary.

5. All information described herein shall be subject to this Protective Order requiring Class Counsel and their agents to maintain the identity of all Class Members in the strictest confidence and not disclose such identities to any person other than to the Court *in camera* and then only if such disclosure is reasonably necessary for the Court to address a specific issue. Such information shall not be used by Class Counsel to engage in unsolicited contacts with members of the Class not represented by them. All written and electronic materials received or generated by Class Counsel containing Class Member's identities or information from which one could determine Class Member identities shall be subject to this protective order.

6. Nothing in this order prejudices or limits in any way any right of the Government of the United States to obtain information.

7. Nothing in this Order permits Class Counsel to receive copies of the "client files" mailed by the J&G Defendants to each Class Member pursuant to the orders of Judge James Moran dated May 13-14, 2004.

DATED: July 12, 2004

HON. SHIRA A. SCHEINDLIN
UNITED STATES DISTRICT JUDGE

KANE KESSLER Fax:212-245-3009 Jul 14 2004 17:41 P.04